

AUTHORIZING VESSELS OF CANADIAN REGISTRY TO  
TRANSPORT IRON ORE BETWEEN UNITED STATES  
PORTS ON THE GREAT LAKES DURING 1951

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FEBRUARY 21 (legislative day, JANUARY 29), 1951.—Ordered to be printed

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Mr. MAGNUSON, from the Committee on Interstate and Foreign  
Commerce, submitted the following

## REPORT

[To accompany S. 683]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 683) authorizing vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1951, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

## PURPOSE OF THE BILL

Letters of evidence have been submitted to the committee that the demand for steel continues at an exceedingly high level. If this demand is to be satisfied, stockpiles of ore must be built up during the shortened season to insure a supply for the furnaces for the period the Lakes are closed to navigation, which is normally from December to April of the following year. The demand for steel continues unabated, there are not enough carriers in the American fleet to transport sufficient ore to supply the furnaces and to provide for stockpiling during the closed winter season. Also, that the foreseeable demand for steel is likely to remain at its present high level for some months to come. It appears that the only way to alleviate the condition now existing on the Great Lakes and thereby insure the continued high level of production is to permit the operation of Canadian ore carriers in the transportation of iron ore between American ports. The bill provides that section 27 of the Merchant Marine Act, 1920, and related acts, which prohibit the operation of foreign-flag vessels in our domestic trades, be waived as to Canadian ore carriers for the balance of the 1951 navigation season on the Great Lakes.

According to estimates that have been furnished to the Defense Transport Administration by the Defense Minerals Administration, the quantity of iron ore which must be obtained from the Lake Superior region in the year 1951 to keep the steel mills operating at 98 percent of capacity will be 91,500,000 long tons. The present carrying capacity of the Great Lakes fleet under American flag suitable for transportation of iron ore is estimated at 82,000,000 long tons. The indicated deficit in vessel carrying capacity, therefore, is 9,500,000 long tons. It is essential to take such steps as are available to us to increase the carrying capacity of the ore fleet. The method provided for in S. 683 is one that was used in World War II and during the postwar period. The last legislation on the subject was contained in section 5, Public Law 591, Eighty-first Congress, second session (64 Stat. 309), and the permission therein granted expired on December 31, 1950.

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DEFENSE TRANSPORT ADMINISTRATION,  
Washington 25, D. C., January 22, 1951.

Hon. EDWIN C. JOHNSON,  
*Chairman, Committee on Interstate and Foreign Commerce,  
United States Senate, Washington 25, D. C.*

DEAR SENATOR JOHNSON: Enclosed herewith is a draft copy of a bill which would authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes until December 31, 1951, or until such earlier time as the Congress by concurrent resolution or the President by proclamation may designate. The Defense Transport Administration recommends its introduction and early passage.

According to estimates that have been furnished to the Defense Transport Administration by the Defense Minerals Administration, the quantity of iron ore which must be obtained from the Lake Superior region in the year 1951 to keep the steel mills operating at 98 percent of capacity will be 91 500,000 long tons. The present carrying capacity of the Great Lakes fleet under American flag suitable for transportation of iron ore is estimated at 82,000,000 long tons. The indicated deficit in vessel carrying capacity, therefore, is 9,500,000 long tons. It is essential that we take such steps as are available to us to increase the carrying capacity of the ore fleet. The method suggested in the draft copy is one that was used in World War II and during the postwar period. The last legislation on the subject was contained in section 5, Public Law 591, Eighty-first Congress, second session (64 Stat. 309), and the permission therein granted expired on December 31, 1950.

As you know, the Great Lakes shipping season normally opens in March or April. It is deemed highly desirable that the proposed legislation be enacted promptly so as to make the Canadian vessels available at the beginning of the season.

The proposed bill has been submitted to the Bureau of the Budget and I am authorized by the Director of the Bureau to state to you that the proposed legislation is consistent with the President's program.

Very truly yours,

JAMES K. KNUDSON, *Administrator.*

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THE SECRETARY OF COMMERCE,  
Washington 25, February 9, 1951.

Hon. EDWIN C. JOHNSON,  
*Chairman, Committee on Interstate and Foreign Commerce,  
United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: This letter is in reply to your request dated January 27, 1951, for the views of the Department with respect to S. 683, a bill authorizing vessels of Canadian registry to transport iron ore on the Great Lakes during 1951.

After allowing for supplies of iron ore from other places, it appears that the capacity in 1951 of United States vessels for bulk transport on the Great Lakes is inadequate to carry the ore requirements for the steel industry during the 1951 season and the need for Canadian ore boats is established. In addition there is

a real need to rebuild ore inventories at lower lake ports and at blast furnaces because stocks have been depleted below working levels by the abnormally short shipping season of 1950.

The construction of several additional bulk carriers has been contracted for but the first of this new construction cannot be delivered until 1952. The Maritime Administration has approved the sale of six Government-owned vessels for conversion as package and bulk carriers for Great Lakes operation but it is not certain that conversion will be completed in sufficient time to make the tonnage fully effective in 1951. Another additional vessel purchased from the Maritime Administration for conversion as an ore carrier may be available in midseason.

We, therefore, urge the enactment of S. 683. We are advised by the Bureau of the Budget that enactment of this legislation would be in accord with the program of the President. If we can be of further assistance to you in this matter, please call on us.

Sincerely yours,

CHARLES SAWYER, *Secretary of Commerce.*

COMPTROLLER GENERAL OF THE UNITED STATES,  
*Washington 25, February 8, 1951.*

Hon. EDWIN C. JOHNSON,  
*Chairman, Committee on Interstate and Foreign Commerce,  
United States Senate.*

MY DEAR MR. CHAIRMAN: Reference is made to your letter of January 27, 1951, acknowledged by telephone January 30, 1951, requesting any comments I may care to offer concerning S. 683, Eighty-second Congress, entitled "A bill authorizing vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1951."

The bill provides:

"That, by reason of emergency conditions in transportation on the Great Lakes, notwithstanding the provisions of section 27 of the Act of June 5, 1920 (41 Stat. 999), as amended by Act of April 11, 1935 (49 Stat. 154), and by Act of July 2, 1935 (49 Stat. 442), or the provisions of any other Act, or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes until December 31, 1951, or until such earlier time as the Congress by concurrent resolution or the President by proclamation may designate."

Legislative permission for vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes has been in effect continuously since May 31, 1941, when Public Law 90, Seventy-seventh Congress, granted authority for such transport for the calendar 1941 season. Similar permission was again granted for the 1942 season by the act of January 27, 1942, Public Law 416, Seventy-seventh Congress, and was continued for the duration of the war by the act of August 1, 1942, Public Law 695, Seventy-seventh Congress.

This permission was repealed by Senate Joint Resolution 123, Eightieth Congress, a general repealer terminating wartime emergency legislation; however, similar permission was extended on an annual basis for each shipping season since that time by separate acts, the latest acts being Public Law 26, Eighty-first Congress—subject of my report to you dated March 2, 1949, on Senate Joint Resolution 52, Eighty-first Congress—extending permission for vessels of Canadian registry to transport iron ore between United States on the Great Lakes during the period from March 15 to December 15, 1949, inclusive, and section 5 of Public Law 591, Eighty-first Congress, extending such permission from the date of its enactment—June 30, 1950—to December 31, 1950, or until such earlier time as the President by order may designate.

House Report No. 2353, Eighty-first Congress, accompanying S. 3571, which was enacted into the said Public Law 591, indicates, on page 7, that the legislation was necessary due to the fact that the demand for steel required a greater quantity of iron ore than the American-flag fleet of ore carriers on the Great Lakes was capable of handling and that the only way to insure the continued high level of steel production was to permit the operation of Canadian ore carriers in the transportation of iron ore between United States ports. Senate Report No. 110, Eighty-first Congress, accompanying Senate Joint Resolution 52, which was enacted into the said Public Law 26, and other Senate and House reports covering the bills for the preceding years disclose the same reasons for enactment.

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Although this office has no special information as to the need for the proposed legislation other than as set out above, there is not perceived any objection to its enactment. It would seem that if the American-flag fleet of ore carriers on the Great Lakes is still inadequate to handle the necessary quantity of iron ore, the enactment of this legislation is imperative, in view of the importance of the continued high level of steel production to the defense program.

Sincerely yours,

FRANK L. YATES,  
*Acting Comptroller General of the United States.*

CLEVELAND, OHIO.

Hon. EDWIN C. JOHNSON,  
*Chairman, Committee on Interstate and Foreign Commerce,  
United States Senate, Senate Office Building, Washington, D. C.:*

Producers and shippers of Lake Superior iron ore urge prompt enactment of S. 683 authorizing Canadian vessels to transport iron ore between United States lake ports during 1951 season. Important to have maximum possible shipping capacity available at opening of navigation in order to transport enormous tonnage of ore required for the defense program. Many new American vessels are under construction or on order but cannot be ready for this year.

Respectfully submitted.

M. D. HARBAUGH,  
*Vice President, the Lake Superior Iron Ore Association.*

CLEVELAND, OHIO.

Hon. WARREN G. MAGNUSON,  
*Chairman, Merchant Marine Subcommittee,  
Committee on Interstate and Foreign Commerce,  
United States Senate:*

Lake Carriers Association greatly appreciates the courtesy of your inquiry concerning S. 683. Association has no objection to proposed legislation provided waiver limited to transportation iron ore between United States ports on Great Lakes for 1951 season of navigation only.

GILBERT R. JOHNSON,  
*Counsel, Lake Carriers' Association.*

CLEVELAND, OHIO.

Hon. EDWIN C. JOHNSON,  
*Chairman, Interstate and Foreign Commerce Committee,  
Senate Office Building:*

With reference to S. 683 introduced by you concerning waiver of coastwise law to permit use of Canadian vessels on Great Lakes in transportation of iron ore for season of navigation 1951, we urgently request prompt passage to insure use of vessels at opening of navigation. The tonnages of iron ore which these vessels can carry is highly important in helping provide sufficient iron ore for the defense program. Iron and steel demand will require every ton which can be moved. This committee organized for purpose of advising and assisting interested governmental agencies in expediting production and transportation of iron ore for national defense.

THE LAKE ORE COAL AND VESSEL COMMITTEE,  
C. L. WYMAN, *Executive Director.*

